

Mass Workforce Issuance

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☒ **Policy** ☐ **Information**

To: Chief Elected Officials
Workforce Development Board Chairs
Workforce Development Board Directors
Title I Administrators
Career Center Directors
Title I Fiscal Officers
DCS Operations Managers

cc: WIA State Partners

From: Alice Sweeney, Director
Department of Career Services

Date: April 22, 2015

Subject: **Youth Procurement Guidance**

Purpose: To provide Local Workforce Development Boards, One-Stop Career Center Operators, One-Stop Career Center Directors, and other local workforce development partners with guidance for the procurement of youth services for the Workforce Innovation Opportunity Act (WIOA).

Background: WIOA supersedes the Workforce Investment Act of 1998 and presents an extraordinary opportunity to improve job and career options for our nation's workers and jobseekers through an integrated, job driven public workforce system that links diverse talent to businesses. It supports the development of strong, vibrant regional economies where businesses thrive and people want to live and work.

Youth service provisions under WIOA are designed to help youth access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. WIOA builds on proven practices such as sector strategies, career pathways, regional economic approaches, and work-based training.

WIOA makes key investments in serving disconnected youth. Local areas must increase the percentage of youth formula funds used to serve Out-Of-School Youth to 75 percent. Local areas must spend at least 20 percent of youth formula

funds on work-based experiences such as summer jobs, pre-apprenticeship, on-the-job training, and internships that prepare youth for employment.

Policy: Eligible Providers of Youth Workforce Investment Activities

In accordance with WIOA Sec. 123, Local Boards are required to award grants or contracts on a competitive basis to providers of youth workforce investment activities identified based on criteria in the State Plan (including such quality criteria as the Governor shall establish for a training program that leads to a recognized postsecondary credential), and taking into consideration the ability of the providers to meet performance accountability measures.

Local areas are allowed to use 10 percent of funding for Pay-for-Performance contracts. WIOA also allows grants or contracts to be awarded on a sole-source basis if it is determined that there is an insufficient number of eligible providers of youth workforce investment activities in the local area involved (such as a rural area) for grants and contracts to be awarded on a competitive basis or if there is a failed competition. Local Boards may award contracts to higher education institutions to provide training.

Contract Transition to WIOA

Youth service provider contracts are awarded through a competitive process as discussed in WIOA section 123. The major changes in WIOA should be incorporated into the Request for Proposal (RFP) and youth provider contracts immediately. Major changes under WIOA include, the 75 percent Out-Of-School Youth expenditure requirement, 20 percent work experience requirement, eligibility criteria for Out-Of-School Youth and In-School-Youth, and new program service elements. If local areas issue separate RFPs for ISY and OSY, they should be structured to ensure local areas are moving towards implementation of the 75 percent OSY expenditure minimum. Local areas should also consider how to incorporate the 20 percent work experience minimum into RFPs and new service provider contracts.

Local areas should amend or modify multi-year or option-year contracts to incorporate the major changes in WIOA. In a competitive procurement process, local areas should consider employing one-year contracts which may contain additional option years to allow for flexibility during the transition to WIOA. Contracts should include flexible language and terms that allow for changes to be made to contracts to conform to new legislation or regulations.

Out-Of-School Youth Expenditure Requirement

WIOA requires that not less than 75 percent of the funds allocated to local areas shall be used to provide workforce investment activities for Out-Of-School Youth. The minimum 75 percent OSY expenditure applies to local workforce development area funds and funds reserved by the Governor. Local area administrative expenditures are not a part of the 75 percent OSY minimum expenditure calculation. The 75 percent expenditure rate is a minimum

requirement; therefore, local areas may spend up to 100 percent of their local area youth funds on OSY if they choose.

Local areas that are unable to meet the 75 percent OSY expenditure requirement for their 2015 program year funds must demonstrate progress towards meeting the 75 percent minimum expenditure through increased expenditures on OSY compared to the previous year. The increased expenditures must be a minimum increase of 10 percentage points compared to the previous year and no lower than a 50 percent OSY expenditure requirement. Local areas that are unable to meet the 75 percent OSY expenditure requirement with their PY 2015 funds must provide a description of how the 75 percent OSY expenditure requirement will be achieved. Local areas must provide a description of concrete steps to secure contractors, solidify partners, and transition from a focus on ISY to OSY programs.

For guidance on calculating the OSY expenditure rate, planning for 75 percent OSY increase, tracking the OSY expenditure rate, recruiting additional OSY, and the exception for serving 75 percent OSY, please refer to TEGl 23-14 WIOA Youth Program Transition guidance at:

http://wdr.doleta.gov/directives/attach/TEGL/TEGL_23-14_Acc.pdf

Work Experience Expenditure Requirement

Not less than 20 percent of the funds allocated to the local area shall be used to provide In-School and Out-Of-School Youth with work experiences. Local areas that have paid and unpaid work experiences that have as a component academic and occupational education may include the following categories: summer employment opportunities and other employment opportunities available throughout the school year, pre-apprenticeship programs, on-the-job training, internships and job shadowing. Local areas are encouraged to coordinate work experiences, particularly summer employment, with other youth serving organizations and agencies.

The 20 percent work experience expenditure requirement includes wages, staffing costs, for the development and management of work experiences. The 20 percent work expenditure can also be spent on job placement assistance activities leading to the obtainment of job placement; job search techniques and identification of possible employment opportunities; resume/application preparation; mock interviews; and, assistance with finding and understanding labor market and employment related information.

Similar to the 75 percent OSY expenditure requirement, administrative costs are not subject to the 20 percent minimum work experience requirement. The work experience expenditure rate is calculated for after subtracting funds spent in administrative costs. The 20 percent minimum is calculated based on non-administrative local area youth funds and is not applied separately for ISY and OSY.

Vocational Rehabilitation

WIOA aims to maximize opportunities for individuals with disabilities for competitive, integrated employment. Pre-employment transition services must be made available to youth with disabilities who are in need of such services. Local Boards will ensure that there are sufficient service providers in the local area with expertise in assisting individuals with disabilities with their career and training needs. Workforce development boards must develop strategies to support career pathways for youth with disabilities to enter and retain employment.

Individuals with disabilities must have access to pre-employment transition services. Pre-employment transition services for youth include job exploration, work-based learning experiences, workplace readiness training, instruction in self-advocacy, counseling on opportunities for enrollment in comprehensive transition or postsecondary education programs, and instruction in self-advocacy.

Program Design Framework

In accordance with section WIA regulations (20 CFR 664.405) the program design framework does not need to be identified by awarding grants or contracts on a competitive basis if the grant/recipient fiscal agent is the provider of the design framework activities.

As WIOA is silent on this provision Local Boards must make a determination with regards to procurement of framework services. Local Boards have the option to award contracts for framework services on a competitive basis or designate the grant recipient/fiscal agent as the provider of framework services.

The program design framework shall -

- (A) Provide an objective assessment of the academic levels, skills, and service needs of each participant. Assessments shall include a review of basic skills, occupational skills, prior work experience, employability, interests, aptitudes (including interests and aptitudes for nontraditional jobs), supportive service needs, and developmental needs of participants for the purpose of identifying appropriate services and career pathways.
- (B) Include the development of service strategies for each participant that is directly linked to one or more of the performance indicators. Performance indicators include placement in employment, education, training, attainment of a credential, and in program skills gain. Service strategies shall also identify career pathways that include education and employment goals (including in appropriate circumstances, nontraditional employment), appropriate achievement objectives, and appropriate services for the participant taking into account results of the objective assessment.
- (C) Provide -
 - Activities leading to the attainment of a secondary school diploma or its recognized equivalent, or a recognized postsecondary credential;
 - preparation for postsecondary educational and training opportunities;

- strong linkages between academic instruction and occupational education that lead to the attainment of recognized postsecondary credentials;
- preparation for unsubsidized employment opportunities, in appropriate cases; and
- effective connections to employers, including small employers, in in-demand industry sectors and occupations of the local and regional labor markets.

(D) At the discretion of the Local Board, implement a pay-for-performance contract strategy for program elements described below, for which the Local Board may reserve and use not more than 10 percent of the total funds allocated to the local area.

Program Service Elements

Eligible providers of the required 14 program service elements must be identified through award grants or contracts on a competitive basis as required in WIOA Sec. 123. In order to support the attainment of a secondary school diploma or its recognized equivalent, entry into postsecondary education, and career readiness for participants, service providers shall provide services consisting of the following elements:

1. Tutoring, study skills training, instruction, and evidence-based dropout prevention and recovery strategies that lead to completion of the requirements for a secondary school diploma or its recognized equivalent (including a recognized certificate of attendance or similar document for individuals with disabilities) or for a recognized postsecondary credential;
2. alternative secondary school services, or dropout recovery services, as appropriate;
3. paid and unpaid work experiences that have as a component academic and occupational education, which may include:
 - summer employment opportunities and other employment opportunities available throughout the school year;
 - pre-apprenticeship programs;
 - internships and job shadowing; and
 - on-the-job training opportunities;
4. occupational skills training, which shall include priority consideration for training programs that lead to recognized postsecondary credentials that are aligned with in-demand industry sectors or occupation in the local area involved;
5. comprehensive guidance and counseling, which may include drug and alcohol abuse counseling and referral, as appropriate;
6. leadership development opportunities, which may include community service and peer-centered activities encouraging responsibility and other positive social and civic behaviors, as appropriate;
7. supportive services;
8. adult mentoring for the period of participation and a subsequent period, for a total of not less than 12 months;
9. follow-up services for not less than 12 months after the completion of participation, as appropriate;
10. financial Literacy Education;
11. entrepreneurial Skills Training;

12. services that provide labor market and employment information about in-demand industry sectors or occupations available in the local area, such as career awareness, career counseling, and career exploration services;
13. activities that help youth prepare for and transition to postsecondary education and training;
14. education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster.

Elements 1-9 remain the same as with WIA. In WIOA the summer employment element has been combined with paid and unpaid work experiences element. Elements 10-14 are new required service elements.

Information and Referral

Local Boards shall ensure that each participant shall be provided information of the full array of applicable or appropriate services that are available through the local Board or eligible providers or one-stop partners, including those providers or partners receiving funds under this subtitle; and referral to appropriate training and educational programs that have the capacity to serve participants either on a sequential or concurrent basis.

Each eligible provider of a program of youth workforce investment activities shall ensure that an eligible applicant who does not meet the enrollment requirements of the particular program or who cannot be served shall be referred for further assessment, as necessary, and referred to appropriate programs to meet the basic skills training needs of the applicant.

WIOA Title I Youth Participant Eligibility

WIOA establishes separate criteria for Out-Of-School Youth and In-School Youth.

Out-Of-School Youth is an individual who is:

- (a) Not attending any school (as defined under State law);
- (b) Not younger than 16 or older than 24 at the time of enrollment; and
- (c) Meet one or more of the following conditions:
 - (1) School Dropout;
 - (2) Within the age of compulsory school attendance, but has not attended school for at least the most recent complete school year calendar quarter. School year calendar is based on how a local school district defines its school year quarters;
 - (3) Recipient of a secondary school diploma or its recognized equivalent who is low-income and basic skills deficient or an English language learner;
 - (4) Subject to the juvenile or adult justice system;
 - (5) A homeless child or youth, a runaway, in foster care or has aged out of the foster care system, a child or eligible for assistance under section

477 of the Social Security Act (42 U.S.C. 677), or in an out-of-home placement;

- (6) Pregnant or parenting;
- (7) An individual with a disability;
- (8) Low-income individual who requires additional assistance to enter or complete an educational program or to secure or hold employment. (WIOA sections 3(46) and 129(a)(1)(B).)

In-School Youth is an individual who is:

- (a) Attending an education program;
- (b) Not younger than 14 or older than 21 at the time of enrollment;
- (c) Low-income; and
- (d) Meet one or more of the following conditions:
 - (1) Basic Skills Deficient
 - (2) English Language Learner
 - (3) An Offender
 - (4) Homeless, a runaway, in foster care or has aged out of foster care system
 - (5) Pregnant or parenting
 - (6) Disabled
 - (7) Requires additional assistance to enter or complete an educational program or to secure hold employment.

Low-Income

- Low-income is defined as an individual whose family income is not in excess or the higher of either the poverty level or 70% of the Lower Living Standard Income Level (LLSIL).
- Low income includes In-School Youth who are eligible for free or reduced lunch.
- Low income also includes youth living in a high poverty area.

WIA Youth Grandfathered to WIOA Youth

Youth enrolled beginning July 1, 2015 must meet the new eligibility criteria provided in WIOA. On July 1, 2015, all WIA youth participants who are still enrolled in the WIA youth program must be grandfathered into the WIOA youth program, even if the participant would not otherwise be eligible for WIOA. Local youth programs are not required to complete an eligibility re-determination if the participant has been determined eligible and enrolled under WIA. Furthermore, these participants must be allowed to complete the WIA services specified in their individual service strategy. Additional guidance will be issued to provide more detail on the new eligibility criteria.

Transitioning to ISY and Resources for Serving ISY

Local areas may still serve a large number of ISY as they transition into WIOA on July 1, 2015. It is critical that local areas not prematurely exit ISY from the program due to the shift in emphasis under WIOA to OSY. At the same time, new

enrollments must reflect the shift in emphasis to OSY programs. ISY and OSY expenditure rates are tracked and reported based on a specific program year's allotment. For the PY 2014 WIA youth allotment, including unobligated PY 2014 funds carried over to PY 2015, the 30 percent OSY expenditure minimum will still apply. Consistent with that 30 percent requirement, local areas may choose to use most of the remaining PY 2014 funds for services to ISY, in order to assist them in successfully completing the program, while focusing PY 2015 funds on OSY, consistent with the minimum 75 percent expenditure requirement on OSY. For guidance on transitioning services for ISY, please refer to TEGL 23-14 WIOA Youth Program Transition guidance at:
http://wdr.doleta.gov/directives/attach/TEGL/TEGL_23-14_Acc.pdf

Performance Indicators

The WIA Youth Common Measures will remain in effect through June 30, 2016. Local areas must consider strategies in meeting the new WIOA Performance Indicators which will become effective July 1, 2016.

The WIOA Performance Indicators are:

1. Placement in Employment/Education 2nd Qtr. after exit
2. Placement in Employment/Education 4th Qtr. after exit
3. Median Earnings 2nd Qtr. after exit
4. Credential Attainment (up to 1 year after exit)
5. Measurable Skills Gains
6. Effectiveness in Serving Employers

Youth Standing Committees

Local Boards are responsible for the oversight of youth programs. Under WIA, Youth Councils were mandated to fulfill this function for the Board. (For the current national list of Youth Councils, please visit <http://www.servicelocator.org/youthcouncil.asp>.) While WIOA eliminates the requirement for Local Boards to establish a Youth Council, Local Boards are encouraged to establish, "a standing committee to provide information and to assist with planning, operational, and other issues relating to the provision of services to youth, which shall include community-based organizations with a demonstrated record of success in serving eligible youth," as permitted by Sec. 107(b)(4)(A)(ii) of WIOA.

Local areas should keep in mind that Youth Councils are required through June 30, 2015 and existing Youth Councils can serve a critical role in helping local youth programs transition to WIOA. WIOA further permits a Local Board to designate an existing Youth Council as a youth standing committee if the Youth Council fulfills the requirements of a standing committee. Local Boards are encouraged to designate their high-performing Youth Councils as youth standing committees, WIOA does not require it (WIOA Sec. 107(b)(4)(C)).

Local Boards may create a new youth standing committee that has different membership than the Youth Council under WIA in order to design youth standing committee membership to meet the local area's needs. A Local Board may also

choose not to establish a youth standing committee at all. If so, the Local Board is still responsible for conducting oversight of youth workforce investment activities under WIOA section 129(c) and identifying eligible providers of youth workforce investment activities in the local area by awarding grants or contracts on a competitive basis.

Career Pathways Development

WIOA places an emphasis on the development of Career Pathways. In accordance with Sec. 107 (d)(5), “The Local Board, with representatives of secondary and postsecondary education programs, shall lead efforts in the local area to develop and implement career pathways within the local area by aligning the employment, training, education, and supportive services that are needed by adults and youth, particularly individuals with barriers to employment.”

Local areas should consider service providers who can demonstrate the ability to provide career pathways for youth. Employer engagement is a critical component for developing career pathways. Local areas should take into account Labor Market Information data (LMI) when considering career pathway industry and design.

Career Pathways are designed to transition youth from education to the workforce. Career Pathways are an integrated collection of programs and services intended to develop a youth’s core academic, technical and employability skills, provide them with continuous education, training and place them in high-demand jobs.

The alignment of employment, training, education, and support services is necessary to develop and implement career pathways that lead to recognized post-secondary credentials for youth.

The term “career pathway” means a combination of rigorous and high-quality education, training, and other services that -

- Aligns with the skill needs of industries in the economy of the State or regional economy involved;
- Prepares individuals to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships;
- Includes counseling to support an individual in achieving the individuals’ education and career goals;
- Includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster;
- Organizes education, training and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable;
- Enables an individual to attain a secondary school diploma or its recognized equivalent, and at least 1 recognized postsecondary credential; and
- Helps an individual enter or advance within a specific occupation or occupational cluster.

WIOA incorporates career pathways as part of both the objective assessment and development of the individual service strategy. Career pathways should be designed to result in industry recognized credentials that will lead to sustainable careers. While the attainment of an industry recognized credential is a goal for youth to achieve as a result of participation in a career pathway, local areas will be held accountable to the Credential Attainment performance indicator which includes participants who obtain a post-secondary degree, a secondary school diploma, or its recognized equivalent and who have obtained or retained employment or are in an education or training program leading to a recognized postsecondary credential within 1 year after exit from the program.

Effective: Immediately

Action

Required: Local Workforce Development Boards should ensure compliance with this guidance.

References: Workforce Innovation and Opportunity Act Overview, July 22, 2014
<http://www.doleta.gov/wioa/pdf/WIOA-Overview.pdf>

Training and Employment Guidance Letter WIOA No. 23-14 “Workforce Innovation and Opportunity Act (WIOA) Youth Program Transition
http://wdr.doleta.gov/directives/attach/TEGL/TEGL_23-14_Acc.pdf

Training and Employment Notice –No. 5-14 “Workforce Innovation and Opportunity Act Announcement and Initial Informational Resources”
http://wdr.doleta.gov/directives/attach/TEN/TEN_5-14_Acc.pdf

Training and Employment Notice- No. 19-14 “Vision for the Workforce System and Initial Implementation of the Workforce Innovation and Opportunity Act of 2014”
http://wdr.doleta.gov/directives/attach/TEGL/TEGL_19-14_Acc.pdf

Training and Employment Guidance Letter- No. 13-09 “Contracting Strategies That Facilitate Serving the Youth Most in Need”
<http://wdr.doleta.gov/directives/attach/TEGL/TEGL13-09.pdf>

Inquiries: For questions regarding youth procurement, please email
sacha.stadhard@detma.org.